

BUFFALO MID CAP DISCOVERY FUND

QUARTERLY COMMENTARY



PERFORMANCE COMMENTARY

The Buffalo Mid Cap Discovery Fund produced a return of 11.34% for the quarter compared to the benchmark Russell Midcap® Growth Index return of 14.55%. Most of the relative shortfall occurred in the first half of the quarter. From March 31 to May 15, the fund gained 3.34% versus a gain of 6.29% for the benchmark. From May 15 to June 30, the fund gained 7.70% versus 7.77% for the benchmark, essentially matching the index. The first half was defined by strength in Industrials, Financials, Technology, and select high-growth benchmark constituents that the fund did not fully capture. In the second half of the period, relative results became much more balanced, as Health Care leadership, strength from semiconductor and AI-adjacent holdings, and a narrower drag on performance within Industrials allowed the fund to keep pace with the Russell Midcap® Growth Index.

Overall, the fund participated meaningfully in the market's recovery, helped by strong stock selection in Health Care and gains in select AI-related technology holdings, including semiconductor and AI infrastructure exposure. However, benchmark relative results lagged primarily due to underperformance within Industrials. Financials, Real Estate, and select software and data businesses also detracted in a strong market environment during the period.

PERFORMANCE (%) AS OF 6/30/2026

Average Annual Returns	1 Yr	3 Yr	5 Yr	10 Yr	15 Yr	Since Inception
Investor Class - BUFTX	-5.89	3.50	-1.18	8.38	9.39	8.32
Institutional Class - BUITX¹	-5.72	3.66	-1.03	8.54	9.56	8.49
Russell Midcap® Growth Index	6.17	15.61	6.03	13.04	12.01	9.80
Morningstar Mid-Cap Growth Category	16.06	14.29	4.30	12.12	10.94	-

¹For performance prior to 7/1/19 (Inception Date of Institutional Class), performance of the Investor Class shares is used and includes expenses not applicable to and higher than those of the Institutional Class shares. Data represented reflects past performance and is no guarantee of future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original value. Current performance may be lower or higher than the performance quoted. Performance current to the most recent month end may be obtained by visiting the Funds' website at buffalofunds.com.

▲ TOP CONTRIBUTORS

Credo Technology Group Holding Ltd. was the largest contributor to relative performance, benefiting from accelerating demand for high-speed connectivity solutions used in AI data-center infrastructure. The company's strong results reflected continued investor confidence in its exposure to advanced networking, bandwidth expansion, and power-efficient connectivity solutions required by next-generation compute architectures.

Onto Innovation, Inc. also contributed meaningfully as demand expectations improved for semiconductor inspection and metrology tools used in advanced packaging and process control. Corcept Therapeutics Incorporated added to relative results as shares benefited from improved investor confidence in the company's commercial execution and pipeline opportunities.

FUND FACTS

	Inv.	Inst.
Ticker	BUFTX	BUITX
Inception Date	4/16/01	7/1/19
Expense Ratio	0.99%	0.86%
Fund Assets	\$327.65M	
Morningstar Category	Mid Cap Growth	
Benchmark Index	Russell Midcap® Growth Index	

FUND MANAGEMENT



Alan E. Norton, CFA

Manager since 2026
39 Years of Investment Experience
M.B.A. – Babson College
B.A. – Trinity College



Thomas P. Norton, CFA

Manager since 2026
40 Years of Investment Experience
M.B.A. – UMass Boston
B.A. – Dartmouth College

TOP 10 HOLDINGS (%)*

Hilton Worldwide Holdings, Inc.	3.44
Verisk Analytics, Inc.	3.28
Vertiv Holdings Co.	3.25
MSCI, Inc.	3.02
Veeva Systems, Inc.	2.22
Cencora, Inc.	2.10
Tyler Technologies, Inc.	2.08
AMETEK, Inc.	2.07
Comfort Systems USA, Inc.	2.00
Vistra Corp.	1.95
Top 10 Holdings Total	25.40

▼ TOP DETRACTORS

Cloudflare, Inc. detracted from relative performance as the fund's positioning limited participation in a strong benchmark holding within cloud infrastructure and cybersecurity. While the company remains tied to attractive secular themes, its benchmark weight and strong stock performance created a relative headwind during the quarter.

Kratos Defense & Security Solutions, Inc. was another detractor as defense-oriented holdings generally lagged after a strong performance run in the previous quarter. While the company remains well positioned in unmanned systems, defense electronics, hypersonics, and other national security-related markets, investor enthusiasm for the broader defense complex moderated during the quarter, creating a headwind for the stock.

Leonardo DRS, Inc. also weighed on relative results as the defense sector consolidated following a period of strong performance. Although the company continues to benefit from exposure to defense electronics, sensing, and mission-critical systems, shares underperformed stronger areas of the benchmark as investors rotated away from several defense-related winners, contributing to the broader Industrials headwind.

| OUTLOOK

The second quarter reinforced the market's focus on AI infrastructure, semiconductor supply chains, power efficiency, electrification, and companies positioned to support accelerating compute demand. The fund participated in several of these themes, but market leadership remained narrow and fast-moving, creating a meaningful gap between the strongest AI-related beneficiaries and many other quality growth companies.

We believe this environment requires discipline. Some businesses are likely to benefit durably from AI adoption, while others may face higher competitive risk as technology changes business models and customer behavior. We continue to focus on high-quality mid-cap growth companies with scalable business models, strong balance sheets, attractive unit economics, and durable competitive advantages.

Also, a fund management change in mid-May is expected to sharpen the fund's focus on higher-conviction opportunities by concentrating the portfolio around securities with stronger aggregate growth potential and market leadership characteristics. The fund will continue to emphasize active, research-driven security selection seeking long-term capital appreciation.

INTERESTED IN MORE INFO?

For questions or to speak with a relationship manager about adding any of the 10 Buffalo Funds to your portfolio, contact:

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The Fund's investment objectives, risks, charges, and expenses must be considered carefully before investing. The summary and statutory prospectuses contain this and other important information about the investment company and can be obtained by calling 800-492-8332 or visiting buffalofunds.com. Read carefully before investing.

Earnings growth is not representative of the Fund's future performance. Investing in both actively and passively managed mutual funds involves risk and principal loss is possible. Mutual fund investing involves risk. Principal loss is possible. The Fund invests in small and mid-cap companies, which involve additional risks such as limited liquidity and greater volatility than large-cap companies. The Fund invests in foreign securities which involve greater volatility and political, economic, and currency risks as well as differences in accounting methods.

The opinions expressed are those of the Portfolio Managers and are subject to change, are not guaranteed and should not be considered recommendations to buy or sell any security. Fund holdings and sector allocations are subject to change and are not recommendations to buy or sell any security.

The S&P 500 Index is a capitalization weighted index of 500 large capitalization stocks which is designed to measure broad domestic securities markets. The Nasdaq Composite Index is a market capitalization-weighted index of more than 3,700 stocks listed on the Nasdaq stock exchange. The Russell 3000[®] Index measures the performance of the 3,000 largest publicly held companies incorporated in the U.S. based on market capitalization. The Russell 3000[®] Value Index is based on the Russell 3000[®] Index, of companies with lower price-to-book ratios and lower expected growth rates which measures how U.S. stocks in the equity value segment perform. The Russell 3000[®] Growth Index is a market-capitalization weighted index that measures the performance of those Russell 3000[®] Index companies with higher price-to-book ratios and higher forecasted growth rates. The Russell 1000[®] Index is a subset of the Russell 3000[®] Index and measures the performance of the 1,000 largest publicly-held companies incorporated in the U.S. based on market capitalization. The Russell 2000[®] Index is an unmanaged index that consists of the smallest 2,000 securities in the Russell 3000[®] Index, representing approximately 10% of the Russell 3000[®] total market capitalization. The Russell Microcap[®] Index is an unmanaged capitalization weighted index of 2,000 small cap and micro cap companies. The Russell Midcap[®] Index measures performance of the 800 smallest companies in the Russell 1000[®] Index. The Russell Midcap[®] Growth Index is an unmanaged index that measures the performance of those Russell Midcap[®] companies with higher price-to-book ratios and higher forecasted growth values. The Conference Board Leading Economic Index, Composite Index of Leading Indicators, otherwise known as the Leading Economic Index (LEI), is an index published monthly by The Conference Board. It is used to predict the direction of global economic movements in future months. One cannot invest directly in an index. Cash flow is a measure of the cash produced by the firm in a given period on behalf of equity holders. The true measure of the value of a firm's equity is considered to be the present value of all free cash flows. A basis point is one hundredth of a percentage point (0.01%). Yield is the income return on an investment. Refers to the interest or dividends received from a security and is usually expressed annually as a percentage based on the investment's cost, its current market value or its face value. A drawdown is a peak-to-trough decline during a specific period for an investment, trading account, or fund. The Bloomberg US Aggregate Bond Index is a broad base, market capitalization-weighted bond market index representing intermediate term investment grade bonds traded in the United States. Earnings per share (EPS) is the portion of a company's profit allocated to each outstanding share of common stock. Earnings per share serves as an indicator of a company's profitability. EBITDA stands for earnings before interest, taxes, depreciation and amortization. EBITDA is one indicator of a company's financial performance and is used as a proxy for a company's current operating profitability. Price-Earnings Ratio or P/E Ratio is the ratio for valuing a company that measures its current share price relative to its per-share earnings. The MSCI EAFE Index is a stock market index that measures the performance of large- and mid-cap companies across 21 developed markets countries around the world. Canada and the USA are not included. The Russell Midcap[®] Value Index measures the performance of the midcap value segment of the US equity universe. It includes those Russell Midcap[®] Index companies with relatively lower price-to-book ratios, lower I/B/E/S forecast medium term (2 year) growth and lower sales per share historical growth (5 years). Revenue growth is the percentage change in a company's total revenue from one period to the next. The Magnificent Seven is a term used to describe the technology oriented, highly influential companies of Alphabet, Amazon, Apple, Meta, Microsoft, Nvidia and Tesla.

*Top Ten Holdings for the quarter are not disclosed until 60 days after quarter end. Those listed are as of 3/31/2026. Fund holdings and sector allocations are subject to change and are not recommendations to buy or sell any securities.

Kornitzer Capital Management is the adviser to the Buffalo Funds, which are distributed by Quasar Distributors, LLC.